

THE BROOKINGS INSTITUTION

OBAMA'S FIRST CONGRESSIONAL SPEECH:

THE MORNING AFTER

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P R O C E E D I N G S

MS. CUMMINGS: Good morning, everyone, and welcome to Brookings' Obama's First Congress Speech: The Morning After. I think it's pretty clear we've entered a new era here in Washington with a State of the Union, quasi State of the Union speech that doesn't include the phrase "the state of our union is strong" which was something I hadn't heard in the last 16 years. And we have humor and lecturing and nonsense, a very different attitude, very different policy, definitely change in Washington. And we have a great group of experts here to help us analyze and talk about, discuss and think about what we heard last night and what it might mean for the country as we move forward.

I'm Jeanne Cummings. I'm an Assistant Managing Editor for *Politico*, and I'm here just to help facilitate the conversation between folks who are a lot smarter than I am. We'll be taking questions

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from you all after we get the conversation going. There will be people moving around with microphones, and so if you just want to signal in some fashion that you have a question and then I'll try to pick on those folks and point them out so that we can get a microphone to you all as well.

We're going to start with some brief opening remarks from the rest of the panel and then we'll get our conversation going. We'll start first with Darrell West. He's Vice President and Director of the Governance Studies Program at Brookings. He speaks and writes widely on campaigns and elections, political advertising, mass media, public opinion, technology, policy, and electronic government. So he knows all things about the new Obama Administration and their messaging apparatus. We also have at my far right Tom Mann whose known I'm sure to everyone here, a Senior Fellow on Governance Studies at Brookings. He's a congressional scholar, and he writes and speaks on campaigns and elections and Congress wide and far. Next to me is Rebecca Blank. She's the Robert S. Kerr

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Senior Fellow of Economic Studies at Brookings. Prior to coming to Brookings she was Dean of the Gerald Ford School of Public Policy at the University of Michigan and Co-Director of the National Poverty Center, so all economic questions go to Becky. And at the far left we have Tamara Wittes. She directs the Middle East Democracy and Development Project at the Saban Center at Brookings. She conducts research into political and economic reform in the region and U.S. efforts to promote democracy in the world. So we have a great panel here that can cover a wide variety of topics for all of us. Let's start off with some remarks from Darrell.

MR. WEST: Thank you, Jeanne. I thought it was a speech that combined drama and comedy as Jeanne was pointing out. Obama's comment, "Don't mess with Joe," I think Joe appreciated and everybody, and his former colleagues in the Senate also seemed to enjoy that moment. But when you think about the speech, I thought it was a terrific speech on the whole. I thought it was very Reaganesque in the president's

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emphasis on hope and optimism because I think what people liked about Ronald Reagan in 1981 and 1982 was the economy was in a deep recession at that time yet Reagan kept people focused on the future. He kept people hopeful even when the current economy was awful. Franklin Roosevelt did the same thing in 1933 and 1934 and I think it's one of the reasons he was able to defy the normal tendency of American politicians to lose popularity when the economy goes in the tank.

I think in choosing somebody who wrote a book entitled "The Audacity of Hope" we actually picked someone who is right for the current time and the current challenges that we face because the public no longer sees government as a problem but as a source of help during a crisis. Republicans keep calling for limited government and cutting taxes, but that just does not resonate with the general public at this point in time. It is a message that has worked very well for Republicans over the last 30 years, but the

public mood after Katrina, after Iraq, and now with the financial meltdown is just very different.

The *Washington Post* survey from a couple of days ago showed that Obama had a 68 percent job approval rating, congressional Democrats had a 50 percent job approval rating, and congressional Republicans had a 38 percent job approval rating. So you're starting to see the public really draw some distinctions and I think President Obama really has won the opening round of the fight over public opinion through the economic stimulus package, and then in following-up with a very strong speech last night I think he has really laid the groundwork for some of the later policy action he wants to take on health care, education and in energy.

I really think Republicans have to rethink their message and their strategy at this point in time because what has worked very well for them over the last 30 years simply is not working as well and it's not resonating with the general public. The overnight polls showed that the American public is

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overwhelmingly positive about President Obama's speech last night. In fact, you also had the very unusual situation of right after the speech ended when Obama was going through the chamber, you had these legislators who were asking him for an autograph. I can't remember the last time at a State of the Union address that legislators were treating the president as a big celebrity. So much for John McCain's celebrity ad from last year saying he's just a big vacuous celebrity who doesn't know anything. He is a celebrity, that is actually helping him I think not just with the general public but even inside the Beltway.

I think Obama's favorite word last night was the term "inherit." He talked about we inherited a trillion dollar deficit, we inherited a recession, and he's using the word inherit as a code word for George W. Bush. I thought it was effective because the speech really did not come across as Bush bashing, but I think everybody got the message that the current crisis started under the last administration, not the

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current one, and every time Republicans roll out votes against him or speeches against him, he is just going to remind the electorate I did not start this problem. The problem started under the earlier administration. And I think that is the other parallel with Franklin Roosevelt. Obama is blessed with an unpopular predecessor and an opposition that is still trying to figure out what the appropriate strategy is. My sense is I think Obama found his voice in balancing this call for reaction with a reminder that he didn't create the problem.

I think the question that looms for President Obama this year is what happens the fourth time Obama has to give this speech. The first time is relatively easy because we liked the speech. We liked the emphasis on hope and optimism. He's getting very positive reviews. But we all know that unemployment is going to rise throughout 2009. So I think the \$64,000 question of his presidency is whether he can keep people focused on the future and get them to be

more hopeful and optimistic even when unemployment ends up topping 9 percent. Thank you.

MS. CUMMINGS: Thank you, Darrell. Tom?

MR. MANN: I agree with Darrell. I thought the president's speech was excellent. I thought he was pitch perfect. He sort of sensed and identified with public anger and public fear and channeled that ultimately into an extraordinarily ambitious agenda, laid out a course of action that he said we need to follow if we are to deal with the extraordinary challenges that we face. But the excellence of the speech in my mind immediately brought up two contrasts. One in a positive way for him was the contrast with Governor Jindal's response. It's always tough to give a response. None of these are really very good. But I was struck by the almost irrelevance of the speech and the underlying argument about a return to limited government and additional tax cuts at a time the public is looking almost desperately for the federal government to play a central role. I think that combined with the style of the speech sort

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of underscored the position of the Republican minority now in Congress and in the country. They have decided on a strategy of returning to their principles at a time at which their principles seem utterly irrelevant to the challenges that we face.

The second contrast is tougher for Obama which is how in the world does he translate the words, the rhetoric of that extraordinary speech into accomplishments, into genuine deeds. Let's face it, it will be tough as nails and it is almost certain that what we will end up with is something substantially less than what he is pitching for. I was struck by the utter absence of timidity, rejecting the claim from Paul Krugman to scores of other critics that he underreaching at a time of crisis. This president is not underreaching. Starting with the stimulus and the financial rescue and then linking it to a budget that promises this Thursday to be very different from what we've seen and full speed ahead on health reform, energy, and education. He presented a comprehensive, integrated view of the nature of the

challenges we face, the linkages between necessary short-term actions and steps then taken to help us grapple with long-term challenges. The problem of course is that our political system isn't well situated to deal in that comprehensive an integrated a fashion so the question becomes how will he work with Congress to try to advance these goals.

Let me tell you my take on this. My belief is that he will not be presenting fully developed proposals to this Congress but, rather, laying out as he did an agenda boosting his popular support which he will continue to do and use that as a hammer up on Capitol Hill. He will with his staffers work with members of Congress. Health reform will be drafted initially in the Senate. The initial cut at cap and trade will similarly be developed on Capitol Hill. The education side of this frankly is a little easier in terms of legislative proposals, but he will sort of build into the renewal of No Child Left Behind enough discretion for his Secretary of Education to begin to try some more substantial reforms and much of this

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will be on teacher recruitment, performance, effectiveness measures and the rest along with some additional dollars. But my own view is that it's not going to be set up for I propose a system and somehow it does in Congress but, rather, it will be a process, and this is where the pragmatism comes in, a process of developing this legislation, picking off individual Republicans because he has now learned that it will be impossible to work with a Republican leadership in either the House and the Senate, but working in that fashion to harvest as much of this ambitious agenda as possible but in the process banking some achievements and going on to fight another day. My own view in summary is that the challenges he faces are both substantive and political. They're enormous. There is no obvious simple way of dealing with any of these problems. He is aiming high but he will settle for a little lower and some pieces along the way. He is banking on an 8-year administration with not everything accomplished in the first year.

MS. CUMMINGS: Becky?

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MS. BLANK: Enough about political strategies. Let's talk economics. This speech was about economics, front and center all the way through except for a little bit at the very end on foreign policy. It really was about the economy, and rightfully so given where we are.

People have said it was an ambitious speech and I found it ambitious in part because I thought it was an amazingly complete speech in terms of laying out an economic agenda. Not only did President Obama talk in some detail about the near term and what we need to do in this current contraction, but he also spent quite a bit of time talking in the longer term about two different aspects in the longer term, (1), deficit reduction, and (2) the other long-term investment policies. I'll just say this wasn't laying out the agenda for the next couple of years. This was laying out a 20-year agenda and with his hope of course that in 8 years he can actually get this underway.

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So let me talk about each of those pieces.

He starts with the issue of jobs and clearly realizes

that what he is going to be judged on more than

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anything else in the next 2 years is what is the

effect of this stimulus package and is this stimulus

package big enough and effective enough that the

economy will show that the stimulus package is

matter. That is going to be a very hard thing to

understand because you realize that the economy is

going down rather rapidly and what's most likely to

happen is the stimulus package is going to mean it

goes down a little more slowly. It's a little bit

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like the dog that didn't bark. Saying "It would have

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been much worse than it is now" is, of course, a much

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less effective thing to say than to say, "Look, it's

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going up and it would have been going down."

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So it's important to watch exactly what

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happens over the next year and a half and how this

unfolds between now and the midterm elections and how

much Obama can claim some pretty clear success from

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the stimulus package. I think one of the indicators

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to watch is whether we are able to avoid 10 percent unemployment. Will this stimulus package keep us below that number? That's a pretty key number and I think one a lot of people are going to be looking at.

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The other thing President Obama clearly realizes is that there is a very real probability that this amount of government spending spread across so many agencies with such a widespread spray of support for so many things can easily get picked up and become the poster child for ineffective spending. All it takes is a few really prescient and cogent anecdotes that the opposition will seize upon. I do hope that no one messes with Joe because Joe Biden has a task

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cut out for him that's going to be very hard. He has to try to assure accountability on this money and that it doesn't become the byword for wasteful spending.

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I understand why President Obama started by talking about jobs and then went to the banking crisis. The main comment here is actually it's the banking crisis that makes this a very different recession than others that we've seen post World War

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II. This recession was led by a collapse in financial markets and financial market collapses tend to lead to much longer and much more difficult recessions.

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Regardless of what we do with the stimulus package and the rest of the economy, if you don't stabilize the credit markets, if you don't get credit flowing again, we're not coming out of this recession. So in some sense once you get credit flowing again, then it's just an old-fashioned recession and we can get out of that. But Obama's got to get the banking and financial sectors working again in a way that it's not right now.

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Here the real problem is everything that you want to do is hard. The standard public response is that these guys made a whole series of mistakes.

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Let's punish them. But the only thing worse than helping the banking sector and giving them bailouts and working with them, the only thing worse than that, is not helping the banking sector and letting them go under. That's a really hard case to make and I thought Obama worked very hard last night at on the

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one hand casting blame and it making it very clear he was holding some people accountable, they hadn't been having well, this wasn't acceptable. At the same time he was trying to say but we absolutely have to do this. We'll see, whether he's able to walk that line, keep people's sense of outrage at what's happened but balance it enough that people are still willing to give support to the next round of dollars that are going to have to go into the credit market rescue. That's a really important question for him, and I thought he did a fine job last night, but let's see if he's actually able to carry it through.

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That's his short-term discussion. Obama then turns from that into the long-term agenda. It's very clear this administration believes -and, it's going to be very, very hard to do --, is that they're not just about the big short-term stimulus which is creating trillions of dollars of additional debt.

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They are also real serious about making that U-turn as we come out of this recession to bring the deficit down and to go from excessive spending to much less

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spending. That's an incredibly difficult U-turn to make. Mr. Obama, his OMB chief, a number of his serious advisers, have clearly put the cards down on the table saying we're going to try to do this. It's not at all clear that Congress wants to do that, that it is going to be willing to make the cuts that need to be made. Obama made the comment that his OMB director, Peter Orszag, had gone through the budget and found \$2 trillion in programs that they can get rid of. Well, your \$2 trillion in waste is \$2 trillion in my favorite programs and this is going to be a really hard job. If he's actually able to make this short-term stimulus package effective and make this U-turn and start creating deficit reduction by the end of his 4-year term, he will be one of the most effective presidents in terms of economic policy in history.

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Last comment on the long-term agenda he says not only of course do we want to reduce deficits, but there are some things that we want to do that are going to grow the economy even faster and you've got

to do them too to help with this long-term economic growth. That's his energy, health care, and education agendas.

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Having said that, I should note that health care is a little different. Energy and education really are things that I think promise some long-term growth. Health care is different. It's the health care cost problems that are creating the deficit problems that are out there in the long run. It's less that you're going to create long-term growth by dealing with health care than that you're going to offset some deficit problems.

And his health care comments that he made last night I thought were by far the least effective of anything he said. He sort of had a spattering of a few different things, none of which adds up to health care reform. He talked about electronic records, he talked about preventative care, he talked about curing cancer. This is not an agenda for reforming health care and it's particularly not an agenda for bringing health care costs under control. That is going to

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take a very nuanced plan. It's difficult to put the plan together, and it's even more difficult to deal with it politically. So where they go in to do health care reform it is going to be very, very important to determining what actually is going to happen in the U-turn in the deficit reduction.

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On the education side Obama was more ambitious than I've ever heard a political leader be, particularly his goal that by 2020 we're going to be number one in college graduation again in the world.

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We used to be number one in college graduation but my generation is the last group for whom that's true and pretty much everyone younger than me fell behind our competitors in terms of the share of younger cohorts who are graduating from college in this country versus a growing number of other industrialized worlds. It's going to be very hard to turn that around for a whole variety of reasons. One is college costs more in this country than in many other places, and I don't know that we're fundamentally restructuring the whole cost system of higher education. Number two, behaviors and

attitudes are learned and when more people don't go to college, more kids emulate them, and you've got to

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turn this around. Right now there are a lot of people out there who don't think about higher education as something for them. And there are preparation issues.

There are lots of schools graduating kids who just aren't ready to go to 4-year colleges. So this is an ambitious agenda. It's going to take putting a lot of different pieces put in place. My goal would actually

be to get up to a rate as high as some of our competitoror countries in terms of college graduation.

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I don't feel like we need to get above them, I don't think we're going to do that anyway.

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And it's clear that if anywhere in the speech Obama really used his political capital and his personal charisma and his rock status it was in that conversation about college where he challenges kids.

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I thought it was pretty obvious, he's looking at this

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group of Washington, D.C. high school kids up in the balcony with Mrs. Obama, talking to kids who may see a little bit of themselves in Mr. Obama and saying to

them "Go to school. Stay in school. Don't do it just for yourself. Do it for the country." And I thought that was by far one of the most interesting pieces of the speech, his effort to really try to inspire kids to do something more than what they're doing, together with his call for volunteer service.

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If he is able to accomplish even two-thirds of what he laid out here in terms of getting us in the next 4 to 8 years down the road on some of these agendas, he will indeed fulfill all the promises that his rock star status leads to.

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MS. CUMMINGS: Thank you. Tamara?

MS. WITTES: Thanks, Jeanne. There were really three foreign policy issues in Obama's speech last night that I'd like to discuss with you, energy, health care, and education. Obviously foreign policy for relatively short shrift last night by design because this was primarily a speech directed at Americans designed to talk up the stimulus, outline his broader and more ambitious plans for economic recovery, and so the foreign policy issues were

relegated to the end. Each one just got a couple of sentences. The wars in Iraq and Afghanistan and the Middle East peace process were the three that were specifically mentioned. On the first two he essentially said we're working on it. We'll get back to you. On the third he said we're working on it. Just wait and see. I think in many ways this was the most striking contrast between this Obama address to Congress and State of the Union addresses made by President Bush made over the past few years, the real dearth of attention to foreign policy not just in the substance in the speech but in the framework of the speech.

On one hand this is a very obvious point for the Obama folks to draw this contrast with President Bush and his fixation on 9/11 and a national security lens for America policy, and of course the context for this speech is very different, an economic crisis of historic proportions. And I think for most of the domestic audience watching last night, it was probably a very refreshing and welcome change in framing. But

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the fact is that we still have tens of thousands of troops deployed overseas in these two combat zones and other than we honor your service and we're going to live up to our values, close Guantanamo and we don't torture, Obama didn't have much to say last night about how we're going to help those troops achieve the objectives that we have set out for them. And I think for some Americans and certainly for overseas audiences in the Middle East and South Asia, that may have been a bit disappointing. So I think that one of the things that emerged last night is a clear need for another speech, a foreign policy speech, fairly soon.

There were a few things embedded in that brief section on foreign policy though that I thought were worth noting to you this morning. The first was that President Obama said, number one, he was going to increase the size of the military which is something that has been looked for among certain members of Congress on both sides of the aisle. I think he'll certainly find support for it. But also that he is going to stop funding the wars in Iraq and Afghanistan

through supplemental appropriations that are kept out of the budget. He is going to incorporate the costs of these conflicts into our budgeting. He said for 7 years we've been a nation at war. No long will we hide its price. I think that that clearly suggests a closer scrutiny of the costs of these military engagements not just in monetary terms but also in opportunity costs relative to other national goals. And when he talked about the need to make sacrifices and cut things from the budget, he also talked about the defense budget and getting rid of Cold War era weapons systems. I am sure that there are specific members of Congress who are all ears waiting to see what those weapons systems will be and how their districts will be affected.

This speech of course was watched abroad and there were a couple of aspects of Obama's performance last night that indeed might have some impact on foreign perceptions of the administration and might help shape the environment that Obama will face in addressing these foreign policy challenges going

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ahead. The first one I wanted to point out to you is sort of thematic or having to do with America's image and the kind of image he was presenting last night. I think in many ways last night's speech presented both the best and the worst aspects of American exceptionalism. On the one hand there was this sense of we're the innovators, we're the history makers, we are going to take the lead again, and indeed that is an aspect of American history and the American experience that is inspiring to many people around the world. It's a model. He said the eyes of all people in all nations are once again upon us watching to see what we do with this moment and waiting for us to lead. I guess I would say on the one hand, yes, audiences abroad are thirsting for a more engaged America, but the discussion in the speech of the nature of this American exceptionalism to sensitive ears overseas might always imply a competition with the rest of the world on certain issues like scientific innovation, a little bit of a dissatisfaction that Obama expressed that places like

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China and Korea are beating the U.S. in certain arenas, and that might be a little bit discomfoting to some of these rising economic powers in particular at a time when one of the major challenges in U.S. foreign policy is how to accommodate these rising powers peacefully into an international order that really is shaped in many ways by American preferences.

It's worth noting here that President Obama mentioned yet again, this has been a very consistent theme, the G-20 as the primary forum for international discussion and decision making of responses to this international economic crisis, the idea being that rather than focusing on the great powers, rather than focusing on the G-7 as a forum for decision making, that this is a more inclusive framework, a framework that includes rising economies like China, India, and Brazil for decision making and the fact that the Obama Administration has very consciously moved in the direction of the G-20 rather than the G-8 I think is meant to send a conscious signal to these countries that we want to make the process of international

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decision making more inclusive and we recognize the importance of your rising economies and the role that you play in the global economic system.

A final note just on energy. I think what's really interesting here is what wasn't in President Obama's discussion of energy policy and his new initiative in energy. There was no discussion of that weary phrase from last year's campaign, ending our dependence on foreign oil. That is a campaign season slogan, it's a perennial in American campaigns, but it was one that was very absent from last night's discussion in favor of an approach to energy that is more about economic dynamism, it's more about innovation, and it's about climate change. And I think that that's a change in tone that will be welcomed abroad particularly in the part of the world that I focus on partly because the idea of independence from foreign oil is not actually a substantive response to the question of where we get our energy resources from. We don't import most of our oil from the Middle East and so that discussion

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over the course of the campaign was always more about appealing to domestic prejudices than it was about substantive policy. But I think more broadly what we can say is that the way Obama was talking about energy last night points to a more pragmatic, a more comprehensive, and a more collaborative approach to energy issues both at home and abroad with a specific emphasis on climate change, and I suspect that that's something many countries around the world welcomed and well looking forward to working with the administration on. Thank you.

MS. CUMMINGS: Thank you. I thought I'd start off our conversation with a topic or question that each one of you all have a certain perspective on that you can share and that is as much as that speech had a heavy dose of tough love in it, we're all to blame for this, this isn't going to be easy, his no-nonsense way of doing things, there wasn't a whole lot of pain in it either. It was as much about how we're going to get out of the mess that we're in in terms of the spending, the creation of jobs, the investments in

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new things, but he really laid off the whole deficit reduction piece of it as Becky said. No real details. Cutting a few education programs is nowhere near going to do it for us. So there's a great deal of pain to come both in terms of the weakening of the economy that will continue and the real budget fight that he has suggested is on the way.

So to kick off this kind of pain discussion here, Darrell, would that have been too much bad news? Is the timing wrong to have that conversation? He had a different mission for this speech and would that have just larded it with too much for people to absorb?

MR. WEST: The short answer is yes. In that regard, when I made the analogy to Ronald Reagan, this is the other part that I had in mind that I didn't talk about, that Reagan was very fond of throwing out the broad principles and we can do this and do that, but he never talked about the cost of anything. Obama did exactly the same thing because politically he understands that you tell people the good news and

then you send the budget message to Congress that has the bad news in it and hope that they're not paying attention and don't connect the two speeches. I was particularly struck on the health care part of the conversation. I think Becky was right that that was probably the least well-developed, probably because it's among the most contentious topics there, in the sense that he talked about the things he wanted to accomplish but he never addressed the crucial question of cost. How are going to pay for it? Who's going to make the sacrifice? Is it going to be hospitals, the insurance companies, the pharmaceuticals or who? So I think it was very Reaganesque in essentially ignoring the crucial question of who's going to pay.

MS. CUMMINGS: Right. And Becky, we know that this is big money, that there have to be big, deep cuts. How deep do the cuts have to go and what sacred cows have to be addressed here? We know Medicare obviously is one of them. As Darrell said, that's got to be on the table. But what else?

MS. BLANK: The long-term deficit problems are a little bit Social Security and primarily, a combination of growing health care costs with an aging population. Social Security we know how to fix. It's just the matter of getting the political will to do it. Here's the problem with health care. We don't know how to fix health care. The biggest issue is rising health care costs and there's only one way that we absolutely know is going to limit rising health care costs and that's rationing, very clear controls over services. That is simply not an option in the U.S. political system. Then there's a whole set of things that may control costs a little bit. Maybe electronic records will do this. Maybe not. Maybe some of the things that one could think about in terms of more extensive issues around how do you share services and control what services people get and how you gate-keep. Maybe that will do something. Maybe not. So the real issue here is this is not an issue about Medicaid and Medicare. Even though costs are exploding in those programs, costs in those programs

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have actually gone up slightly less than costs in health care in the whole economy and the only way you're going to fix Medicare and Medicaid is not cutting those programs, it's reining in costs throughout the health care sector and slowing this enormous trajectory of increasing prices in the health care sector. We really don't have anything guaranteed in terms of policies that will do that. What we have is a smattering of different things we can try and hope that cumulatively they're going to start having an effect. That's why you have to do health reform and you can't just do it with Medicaid or Medicare.

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MS. CUMMINGS: Tom, the politics of this are enormous, and not just touching Medicare, but he obviously signaled he's going to do domestic programs as well, even those few education programs he may speak of is going to have some -- on Capitol Hill. The honeymoon is over it seems to me as soon as he sends the budget.

MR. MANN: I think you're too pessimistic, to cynical. Not me.

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MS. CUMMINGS: Never.

MR. MANN: And too much inclined to say we want our politicians to tell us about the pain and the pain now. It's kind of the controlling entitlements, the budget scold crowd that wants it front and center now. This is the wrong time for that to be front and center. We face an economic catastrophe. We face the potential of serious deflation. We still have financial instability. We could do more damage from negative growth, low growth over the next decade that would overwhelm any "responsible" steps to control entitlements now. So the point is there is a first priority to deal with.

I think what's impressive is the extent to which Obama more so than most presidents has acknowledged that behind coming after this is a big set of problems that are huge and we're going to have to deal with and he's got people in place like our former colleague Peter Orszag who has been crystal clear about the nature of this problems. He's not running away from them, but it seems to me the

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politics are just right in terms of his approach, that is, to keep the focus for now on the immediate problem to begin to move in areas where we have to move if we're going to have any kind of a stable, productive economy in the long term and let people know coming down the road are some changes that are going to be difficult, but not to detail them right now. There's plenty of time for that.

MS. CUMMINGS: Tamara, one of the things that befuddles me is one of the places to expects to say money obviously is in defense and cite specifically the drawdown in Iraq to save more costs. But we really are not going to get everybody out of Iraq and then we're going to send a whole bunch of new people into Afghanistan, so really how much change is there going to be in terms of costs and how much can he mine out of the Defense Department if we're really rotating our soldiers and not really bringing them all home? We're not completely disengaging either from Iraq or Afghanistan.

MS. WITTES: That's right, and increasing the size of the military overall, but more broadly I think what we're really looking at is not a reduction in overall expenditures abroad on issues like Iraq and Afghanistan, but a shifting of those expenditures from the defense budget to civilian reconstruction functions. So part of what they're talking about in Afghanistan-Pakistan is, yes, adding 17,000 American troops but also building up a more comprehensive civilian reconstruction package that will involve development assistance, that will involve personnel from the State Department and USAID fanning out throughout the country in a much more engaged manner in Pakistan as well as in Afghanistan. So we're actually not going to see cost savings there. We're probably going to see an increase in investment there, or at least we're going to see civilians taking over some functions that the military has until now been doing.

Where he did talk about cost savings with respect to Iraq was he mentioned no-bid contracts,

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ending the practice of no-bid contracts in Iraq, and returning Iraq to the Iraqis. I think the implication there is that some of the reconstruction work that's been going on and perhaps more specifically the physical infrastructure, the rebuilding of physical infrastructure, roads, pipelines, electricity grids and so on, that the idea would be to transfer those functions to the Iraqis and to expect them to start paying for more of that through their oil revenue rather than having that money come out of the U.S. budget, but other than that, I don't see a lot of savings.

MS. CUMMINGS: One other important aspect of a State of the Union speech or in this case the first of those to come are the great symbolic moments to the degree that any President wants to use this and in some short way send a powerful signal. In all fairness to the panel here, I didn't give them a heads up on this question, but I saw certain things that took place last night I thought he did a pretty good job of that sort of thing. Nobody messes with Joe I

thought was a really good moment. I thought it shows almost an intimacy amongst his team, and humor in the midst of such a dire message. All of those things I thought were good. So while I allow everyone to think for a moment, I'm going to throw the first one at Tamara with something that struck me. His we don't torture, that's a powerful, powerful sentence delivered in a powerful way. Is it wise to have gone that far? But with that sentence, it's been said before, was that an important moment?

MS. WITTES: I think from the moment of the inaugural address and the executive orders that were signed right after the inauguration in the days following deal with Guantanamo, dealing with torture, there is a very conscious and delivery effort by the administration to not merely send the signal abroad that they are changing certain practices that were widely reviled globally and especially in the Muslim world during the Bush Administration relating to the prosecution on the war on terror, but that they are committed to finding a way within international norms

to pursue counterterrorism and counterextremism but not using these methods. The question is how viable is this strategy. We want to close Guantanamo within a year and the President said last night and provide swift and certain justice for terrorists. How do we do this? If we capture people abroad in murky circumstances as happened in Afghanistan, we don't necessarily have the capacity to provide them swift and certain justice in U.S. civilian courts. We don't even right now have the capacity to get prisoners in Guantanamo moved to countries that are willing to accept them. Nobody is stepping up there, or maybe just a few. So it's not an easy problem to solve. Countering terrorism does kind of fall between the tracks of standard military conflict between governments and something that can be pursued using law-enforcement and the Obama Administration while clearly stating its intention to stay within the law still has to face the fact that it might need some new laws to deal with these problems and there has yet to

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emerge from the administration any signal of where they're going to go on that.

MS. CUMMINGS: Tom, I'm going to throw one at you, but if you've got one, jump in. I thought the whole discussion of Wall Street and the banks was fascinating because he really beat them up, then said I promise you I get it which I thought was quick, short, clear. And then I loved the guy up in the stands who gave away his money. That was totally out of character with what you would expect up there. Message, symbolism there, and if you have another idea go for it.

MR. MANN: I was going to point that out and I think it was very important, the President in effect identifying with the anger and resentment of the public and making a populist attack on those people who have exploited the possibilities and opportunities provided by government intervention to avoid a crisis. The only way he'll get the public behind him on stabilizing the financial system and investing the resources that are needed is to make sure they believe

he gets it and he won't let those abuses happen again. So I thought that was very important.

I want to mention two others Becky already did. The education discussion was really important and I thought he got his biggest and most unanimous cheer when he said the education of our children begins with parents and really talking about personal and family responsibility in a way that resonated. On the other hand, when he was making the case for health care and other things, it wasn't a moral argument about inequities, it was an economic argument. He's going to try to make progress on the big issues pertaining to energy and health care on the basis not everyone -- we must have universal coverage, it's a moral imperative, but the only way we can grapple with our economic problems is to deal with these issues front and center.

MS. CUMMINGS: Becky, I'll give you an out too, and you're on your own, Darrell. I'm running out of symbolism over here, but if you have a better one, go for it or if you want to add to it. But I also was

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struck with the way that he played the Republicans and Democrats against each other a little bit when he was going through the economic deficit section and where he said he was going to cut the deficit in half and the need and why that was important, the Republicans are up, yeah, yeah, we're with you and kind of almost mocking him. Then he settled them down and then says and the deficit we inherited and gets the Democrats all up. I thought that was pretty playful and pretty well done. Do you think that he sent a strong signal about managing those partisan contours when he comes to -- and I thought he was very strong in trying to counteract their tax and spend argument. It was like prebuttal instead or rebuttal.

MS. BLANK: I thought that he did a good job throughout the speech recognizing what his opponents were saying, as you say, prebutting it prior to Governor Jindal coming in. He knew what was going to be said out there, and recognized ed, pretty clearly that there was going to be debate and discussion and disagreement. He several times in the speech made

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comments of that sort. On the other hand, maybe it's just early in the administration, you had a sense that the lines hadn't hardened, that he was actually joking with both sides of the aisle in some sense and speaking to both of them and doing it in a way that was very much reaching out and trying to draw connections. Will that work or not? I don't know. I don't have as good of a sense of how often the Republicans were on their feet and for what issues. You didn't see the chamber quite the way you wanted to. But I certainly had a sense he still had quite a bit of hope for some versions of bipartisanship, even if it didn't mean getting 100 percent of the Republican votes, he was going to get enough of the Republican votes to get his agenda through and he was setting that up.

MS. CUMMINGS: I do have something to throw at you but since you're an expert on this, you can overrule me. We will recover, very clear top of the speech. People had said to be more uplifting, we're accustomed to Obama with rhetorical flourishes. In

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this case it was three little words, we will recover. I thought that seemed a powerful moment in his speech.

MR. WEST: And if anything that was the headline. On some of the news stations I watched this morning, that was kind of their summary conclusion, his call to arms, his optimistic claim that we are going to recover. And the other thing that struck me was his employment of both liberal and conservative symbolism, because we had the liberal symbolism of the United States does not torture. His liberal base would love that, allies and adversaries abroad would love that, but then at the same time he couples that with the rhetoric that conservatives love to use about the need for personal responsibility. It strikes me that this is a guy who started out in life as a community organizer. I think what he doesn't want people to think is that government is the complete solution to this problem. He doesn't want us sitting around waiting for them to act. I think the powerful part of his message last night was basically telling us we are responsible for our own situation. We need

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to be fiscally responsible. We need to be responsible in terms of personal behavior. We need to take responsibility for the education of our children. And I thought that's one of the reasons the speech worked so well, because people could actually read in things that they liked into that speech and I think there was something that liberals would like, conservatives would like and populists would like.

MS. BLANK: And I want to say I think that one reason why to Governor Jindal's response was as weak as I thought it was is I thought that Obama had so clearly set out the need for personal responsibility. When Jindal wanted to imply that he was saying the government is going to do it all, well, if you just listened to Obama's speech you couldn't buy into the argument that Obama was not calling for personal responsibility too.

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MS. CUMMINGS: Let's talk a little bit about the Republican response and plight right now. I don't think either party has unlocked the box about how to respond to State of Unions because I don't think the

Democrats did a particularly good job during the Bush years. I just think it's an awkward setting. The thing I can't quite figure out is why they prepare their response before the speech and don't adapt because it almost makes them sound off note. The Democrats sounded that way I thought during the Bush years and given the fact that almost every one of the people delivers the response to the State of the Union is a professional politician, they ought to be able to think on their feet and make some adjustment to their speech based on hopefully what they just listened to, but sometimes you wonder if they even heard the speech itself. They don't do that. But we have Obama with these really high popularity ratings. Tom, you mentioned in your opening that you didn't think it was an effective response. What would have been better? How could they have improved their answer and how do they adapt to the circumstance they are in now?

MR. MANN: It seems to me he gave a speech that reflects the not complete consensus of the Republican Party but the center of gravity especially among

Republican leaders that explicitly does not include the Republican Governor of Utah or of Florida or of California or Connecticut or Vermont, but nonetheless, it's the center of gravity. It's what John Boehner and Eric Cantor are saying, less so Mitch McConnell, but ironically in some ways John McCain is saying the same message, we need to get rid of wasteful government spending and earmarks and cut taxes. That's the broad position taken now and if that's your shtick, it's hard to be effective in the speech. If he was going to make the case for what Republicans now believe, he was going to fail in this speech there's an utter disconnect between those ideas and what the public sees as the problems and needs at this particular point in time. But Jeanne, I don't think many politicians have the capacity to do that, to make the adjustments in real time and in some ways that's exactly what would have been called for and he would have made the acknowledgements of the sentiment, to question their seriousness and likely implementation.

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MS. CUMMINGS: Tamara, the Republican Party has really defined itself with foreign policy and Jindal didn't touch them either. Barack Obama barely did, but there was nothing in the response from the Republicans and yet it's been an issue that they for so many years had been able to gain an advantage. Were you struck by that?

MS. WITTES: I think that what's striking is the extent to which Obama throughout the campaign and the Democratic Party more broadly have been able to take back the issue of national security. If you look at the shift in national polls, Americans trust the Democrats on national security now in a way that they haven't in perhaps 15 years. So it's quite striking how quickly public attitudes toward the two parties have shifted on national security and I think that was reflected in the advantage that Obama had going into the speech. Of course, the other advantage he had over Bobby Jindal last night is that Obama is speaking for himself. He was just elected with a strong mandate. He's speaking as the President and he

doesn't have to represent anybody else, but Bobby Jindal is speaking on behalf of a demoralized, fractured Republican Party and he is handed that speech. He doesn't get to own it. So I think that really the incoherence of the response is a reflection of the incoherence of the Republican Party in the face of its defeat last fall and it's going to take them some time to recover from that.

MS. CUMMINGS: Darrell?

MR. WEST: The mistake that I see Republicans making is Obama is trying to reposition the Democratic Party as the party of innovation. That has been a theme that Republican politicians have been using for decades very effectively and kind of tying it to limit government, keeping taxes low and so on. It's been a winning recipe. I think they need to kind of get back to trying to think in a more creative way about their own party message. The Jindal speech was unidimensional whereas Obama's was multidimensional and I think that's one of the reasons the Republican response fell flat. It's okay for them to go back to

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core principles but they need to understand the political environment is fundamentally different right now. We've had a sea change in American politics. Things that worked well over the last 30 years aren't going to work as well politically for them just because the nature of the challenge is very different. So I think it's going to take them a while to adapt, but I think the biggest mistake they can make is just vote en masse against Obama's principles. I think they look political when they do that, they look obstructionist, and the one thing we know that voters want is pragmatic problem solving. So somehow Republicans have to reposition themselves as pragmatic problem solvers.

MS. CUMMINGS: We're going to open up the floor in a few minutes to questions that you all might have for the panel. Did you want to add something?

MS. BLANK: I actually do want to add something in terms of Obama's ability to balance both the short run and the long run in this speech. Governor Jindal did what many of the Republicans had

been doing in which they talked about what we should have been doing is tax cuts instead, and what Obama is responding to -- one of his responses as to why that's not the right economic response is that this is not just about the short-term stimulus which tax cuts would do, this is also about the long-term deficit. ~~By putting both of those on the table and talking about them together, and he has done that consistently now, it's one way in which he sort of overcomes that Republican message and makes clear from his perspective why tax cuts aren't a long-run solution, they're at best a short-run solution that's actually in the long run counterproductive. And I haven't heard any Republicans who have responded to that in a way that implied they got it. They have to develop an answer to that one.~~

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MS. CUMMINGS: Speaking of being multidimensional, 57 police officers in Minneapolis. Tom, is this 2012 at work already? Of all the cities in all the states, I'm sure Governor Pawlenty was probably not thrilled that it was his city and his

state that were picked as the quintessential example of the stimulus working.

MR. MANN: I'd love to know who got that particular reference into the speech, but I bet Al Franken was grinning as well given this unending Senate race. Listen, it's never far from any first-term President's attention and energy what the future might hold but tweaking a potential Republican presidential nominee is always good fun.

MS. CUMMINGS: We have some microphones. Anybody with questions from the audience? We've got some up here. Why don't we start with that lady over there over on the edge and we'll work our way.

MS. ORCHOWSKY: Thanks. Peggy Orchowsky. I know this was an executive talking to Congress, but I missed references at all to any kind of oversight. I still remember the Democrats just running to support Bush on the first bailout money with no oversight at all and now everyone is saying it was a disaster and we have no idea how the money was spent. So I'm wondering if there is going to be some pushback not

only from Republicans but by Blue Dogs in the Congress calling for more oversight from all these programs that Obama presented.

MS. BLANK: I thought that that was exactly what his Joe Biden oversight committee with regard to the stimulus was all about, that he does not want to get into the same problems there that President Bush got into with the first round of TARP funds. Is it recovery.com, the website where you're going to be able to see where every one of those dollars are spent? We'll see what one can see on that website.

MR. MANN: Dot-gov, not dot-com.

MS. BLANK: So I think he's trying to set up the stimulus dollars differently and avoid the problems that happened with the first round of TARP dollars. Clearly in some of the other discussions including Geithner's discussion 2 weeks ago now, I think they are aware of the need to do oversight over the banking dollars as well and hold banks accountable. He said a few things about that, but he certainly didn't lay out any specifics. You're right.

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MR. WEST: I think what Obama is trying to do is he understands that in any \$787 billion package there's going to be some garbage that comes out, wasteful projects, things that might not technically be an earmark but then looks like it when some local mayor does it. I think there's going to be more oversight of the implementation of this stimulus package than anything we've ever seen because Obama from the executive standpoint is going to be doing oversight and using new technology to help facilitate that. Congress certainly is going to be doing oversight. Media organizations are going to be doing oversight. And you're going to have local and state organizations across this country monitoring the expenditures in their particular state. So I think it's kind of like Obama won the legislative passage but he still has to win the implementation stage and I think that will be equally critical to what has happened over the last 2 weeks.

MS. CUMMINGS: And there's one more group that's doing oversight and that's the Republicans and

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they know it and that was part of the lecture to the mayors and the governors, don't squander this because congressional Democrats will pay the price for that. It's too far out for Obama to pay the full price, but it's not so for House members, and conservatives have already put up websites of their own to keep an eye on where the money goes, and they know as they did with this stimulus in the early part of the debate, they only need one or two. Contraception was a tiny, tiny piece of that stimulus bill, but a powerful message and one that people got right away, and the White House had to respond to that. We had some questions up here on either side.

MR. MITCHELL: Thanks. Gary Mitchell from the "Mitchell Report," and I realize I'm about to commit an error that was suggested I think by Jeanne about why do the response statements get written before the speech is given. A few minutes ago I wrote down a question which I think was arguably pretty much in line with a question that Jeanne Cummings asked, but I want to try it again and come at it in a

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slightly different way, and that is to ask the panel to perform a thought experiment, arguably alchemy. Imagine that instead of being here this morning speaking to a relatively friendly audience we are a meeting of the mucky-mucks of the RNC who are meeting with some of the major donors of the Republican Party in the aftermath of, A, the speech last night and, B, Obama's first month in office. The question it seems to me, there are at least two questions they would be focused on. One is what is our best critique of the speech and the performance to date, not boilerplate, but let's be thoughtful about this. What's our best critique? Second, what is it that we can say going forward that will make us a more competitive force leading up to the 2010 midterm elections? Remember this is big money sitting out here not quite certain whether it's ready to fork over to a dying cause. So this is some of the best minds in the Republican Party up there and some of the best money sitting down here. So what's our best critique and what's our best strategy and message going forward?

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MS. CUMMINGS: Do you want to go first,
Tamara?

MS. WITTES: Since I don't do domestic politics, I can freewheel on this one. Looking at the party myself from the outside as an analyst I would say what they really need is a good catfight. This is a market system and you have to see what ideas are going to emerge and find a market. So if I were on the RNC panel I would be deeply discomfited because I can't project unity. There's no unity here and there won't be. More practically though I guess what I would say is it seems to me that saying this kind of stimulus grows government is not a winning argument for the reasons that were cited by my co-panelists here. The American people want government to help them out right now. So maybe an argument that sells a little better is not that government is bad, government is the problem, but that government is inefficient and we want the money to go to people because people are better at doing this stuff than government. That might be the message.

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MR. WEST: I think the best critique is just lack of specificity. It's easy to give a speech and say better health care, improve education, increase energy efficiency. We all would agree with that. Where the problem is once you start getting into the details. So I think what Republicans have to do is to really press the administration on how are you going to do health care and try and get them into the details. They can get back in the game because the public -- once you start getting into questions of how are we going to pay for this and what do you mean by improved education and how are you going to accomplish that, there are a wide range of differing views on that among the public at large. So I think that would be an effective strategy on their part.

MS. BLANK: I think I disagree with Darrell.

The Republicans can disagree on the details, saying "you aren't doing it right, you're doing it ineffectively," but once you're at that level of argumentation you've lost the argument. You've essentially said you did the right thing conceptually

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but you're doing the wrong thing in the details. And if the Republicans are going to win, if they're going to come back as an effective political force, they've got to have an alternative conceptualization here that's not just about "do the details better." And there's the real problem I think, and I don't have an answer to them for this, is they're in a losing situation if their response to the biggest economic crisis our country has faced since the 1930s is do nothing. Don't get the government involved. It was a losing argument for Herbert Hoover, and it astonishes me that the political memory of what happened after Herbert Hoover has not gotten through to today's Republicans. They have to come up with an alternative answer that's different from Mr. Obama's but isn't "Do nothing."

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MR. MANN: They would not like my advice.

My advice would be based on the view that to proceed in a fashion they have in the Congress and with the governor's response is to put themselves in the position of expecting if not actually rooting for the

failure of the economic recovery efforts. They appear to be banking on failure and almost relishing it at a time of such enormous crisis and uncertainty.

Therefore the instinct is to immediately fall back into the campaign mode, to unify and draw the line and try to embarrass. They've lost two elections in a row. It's sort of big time. It's a long way down from dominating our politics for a long time. I frankly think they ought to lie low initially, not offer a clear alternative and resist Obama because frankly they don't one that's plausible now and they're going to have to see how some of this plays out. I think they ought to avoid the macro theme and attack, be critical on the specifics in the process of policymaking and allow some of their more creative entrepreneurial politicians many of whom are to be found in the states to come forward and allow many people to begin to fashion an alternative because I think it's a great mistake given the conditions in the country to be seen immediately as the opposition and the not so loyal opposition and the transparently sort

of political and spinning opposition and one that looks a little bit too much like the government we just voted out of office.

MS. CUMMINGS: I'd just add that I think I agree with Tom's caution about I don't think they're struck the right balance yet in terms of opposing based on their philosophy and ideology. That's a good thing. That's okay. I don't think they're struck that balance publicly in a way that works effectively. But if I were talking to them I'd offer a little more optimistic picture of patience on their part because I think the political weakness in Obama's position and the Democrats right now, and there are ups and downs to everything, was something he acknowledged in his own speech and that's when he said I'm not doing this because I want to make government bigger. I don't. I'm not doing this because I love spending government money, taxpayers' money. I don't -- very high in the speech. That was a very defensive position I thought. And I thought in those two sentences it was that he acknowledged a weakness in his position and the

Democrats' position now that it ultimately could come back to haunt them. And I think that's where the Republicans are trying to position themselves which is not a bad place. Tone is a problem. Visual images are a problem. Obama has totally overplayed them by being gracious. Inviting them to the White House and they say no. It's just rude. Americans see it as just being plain rude. That's a silly mistake. We have another question over here.

MR. CHEN: Chow Chen, freelance correspondent. First I want to get to the very basic bank and financial institution -- dysfunction of a country just like -- stop running. So far really they need to have a reform and restructure and so far we haven't heard anything of that and all we heard and you people discussed is oversight. I think that's not enough. How come nobody and also the President didn't mention that? And if they need to do, will he push them to do it or the -- would take over to do it? And second is this as to the war. The trademark of President Obama is against war and now he is

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President. He cannot stop the war. And now you look at Iraq and Afghanistan. Afghanistan is lots bigger than Iraq, and also in Iraq you just go to certain urban cities that's enough, but in Afghanistan what do you need to do? You need to go to the villages all over the country. So my prediction is this. If the war -- to Afghanistan -- will be -- thank you.

MS. CUMMINGS: So he has two questions here. One is on in addition to oversight what about reforming the regulation of the financial industry.

MR. CHEN: I'm talking about the banks.

MS. CUMMINGS: Yes, the banks, which, Becky, you grab. And the second question was isn't Afghanistan more of a risk than Iraq given size and complexity?

MS. BLANK: Mr. Geithner's speech a couple weeks ago sort of promised a lot of details to come as to exactly how they were going to work with banks in terms of restructuring and cleaning up balance sheets and other things, and that is still to come. I must say I think last night was not the appropriate forum

to give that level of detail. It is going to matter enormously what that level of detail is. That said, Mr. Obama certainly put down a number of markers abp what he's talking about when he talked about trying to revise lending markets and some mortgage assistance and assisting big banks to clean off balance sheets.

He also mentioned regulatory reform of the banking system, but these se were there sort of place markers and not detailed programs. I suspect that many of us sitting in this room are eager to hear what some of the details are behind how they plan to spend and work various financial institutions in the weeks ahead. I think we still don't know the answer to that fully.

MS. WITTES: Let me just tack one thing on to Becky's answer there because I was last week in Doha for our annual U.S.-Islamic World Forum and we had a panel there on the global financial crisis. One of the things that became clear in that discussion which brought together Americans with people from across the Muslim world from Morocco to Indonesia and everywhere in between was that there was a little bit

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of a sense on the part of the Muslim world participants that you convinced us that this market capitalism thing was the right way to grow and the right way to organize our economies and look what you did. Can we trust you again? So I think that this question of regulation of the financial markets and the financial system is going to be key not just domestically but globally for restoring trust in the globalized economic system that America helped to create. And I think that accountability is something that the world is look for, not just Americans who feel that they have been personally hurt by this crisis.

On Afghanistan, I would certainly agree with you that this is a far greater challenge than has yet been acknowledged. I think the administration is so far being very cautious and careful and saying we're doing a policy review. We're not going to give you any details yet. But if you look at last night's speech as in essence a President saying things are tough, times are tight, but what we actually have to

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do is invest more in the future to make things better down the road, I think you're going to see him having to make much the same case about Afghanistan, that this war hasn't been doing well. It's been going on for a long time. But if we want to achieve our goals which for the Obama Administration are focused on al-Qaeda and the generation of terrorism from the Afghanistan-Pakistan region, we're going to have to invest even more than we have already. This is a tough case to make whether you're talking about domestic economics and social services or whether you're talking about foreign policy. It's an especially tough case to make after the last 8 years with an American public that is frankly leery of these investments abroad, but that is the case he's going to have to make.

MS. CUMMINGS: We have one question in the back.

MR. RAFFERTY: Scott Rafferty. I just wanted to return for a moment to the issue of oversight. Do we know what has happened to the Chief

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Performance Officer now that the initial candidate has gone away, and the sort of larger issue about reforming not only the stimulus package but the efficiency of government? And is it really realistic to expect congressional oversight given that we've had this very -- we've lost probably the most effective chairman of the House Oversight Committee which traditionally has been the more effective of the two chambers and we don't have a long tradition of the Committee on Investigations in the Senate really taking on domestic issues? Is that going to emerge in other places in Congress or is this something that the administration is going to have to generate through Mr. Biden and any Chief Performance Officer?

MR. MANN: You're right to point to the cost to oversight of Henry Waxman's success in becoming Chairman of the Energy and Commerce Committee. His successor has kept that committee inactive and in the initial weeks we'll see if that changes over time. Of course, Waxman used that committee as a platform for very ambitious aggressive oversight in the last

Congress. But there is a long tradition of oversight on the Energy and Commerce Committee which has perhaps the broadest agenda of any committee in Congress and I expect Waxman who will of course be busy on other issues will nonetheless recharge that subcommittee and we'll see a lot there. It's also the case that Barney Frank's Financial Services Committee understands the enormity of the investment and the great uncertainty in the financial stabilization effort and I expect really regular aggressive oversight there as well. There is some hope too that we're going to be seeing the return of the appropriations committees to oversight which did so little for a long period of time but prior to that had been a major focus of congressional engagement in such matters.

Shifting from divided to unified party government removes a political incentive for aggressive oversight. On the other hand, Democratic members of Congress have been around many of them under Democratic Presidents before and they're not shy about speaking out, and so I'm looking for a much more

aggressive effort in part frankly because Obama's encouraging some of it with the new entities and mechanisms being set up and the real efforts at transparency and now the digital real backup of that is going to transform the way in which government programs are overseen. This is a whole new world.

As far as the Chief Performance Officer, I thought that appointment in the White House was a little hokey to begin with. It seems to me that that responsibility should be with OMB with an associate or deputy director for management and my guess is the infatuation with czars is beginning to diminish a little and with Tom Daschle's withdrawal and with the withdrawal of the Chief Performance Officer maybe a fewer czars and a little more building in genuine capacity to the regular standing institutions of government.

MS. CUMMINGS: We're going to wrap up here, but I wanted to close with one question here for Darrell, and that is by all public opinion polls and general response was a good speech, a successful

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speech, but how long can he wear the bully pulpit?
Can he keep doing this in the way he has or does there
some a time when they have to start using it more
carefully?

MR. WEST: I think when you look at past
presidents, a typical incoming president may get a 4-
to 6-month honeymoon. I think Obama has the
opportunity for a much longer honeymoon just because
the past administration is unpopular and somewhat
discredited. Republicans have not really played their
cards very well. If anything, the Republican
obstructionism makes Obama look more statesmanlike and
more bipartisan in what he's attempting to do. But it
is clear at some point this problem is going to move
from a Bush problem to an Obama problem and the speed
with which that transition happens just has enormous
consequences both for 2010 and 2012. But I think he
could have a honeymoon that lasts a year given the way
things have developed so far.

MS. CUMMINGS: Thank you all for coming. We
appreciate it. Have a great day.

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